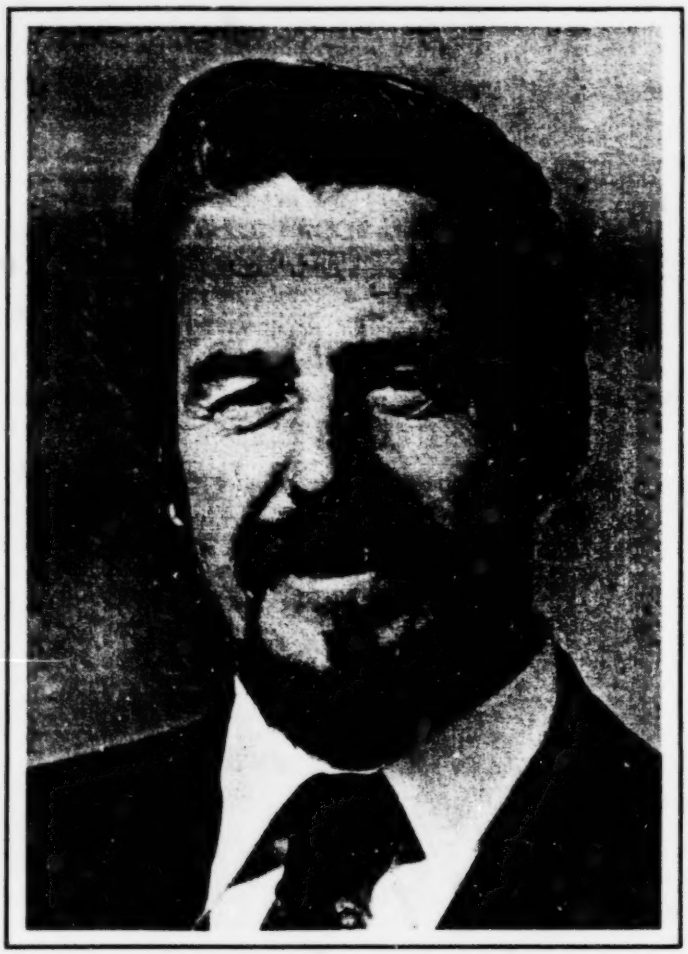
NORTHWEST TERRITORIES 1985-86

BUDGET ADDRESS

1985 – 1986 BUDGET

NORTHWEST TERRITORIES



PRESENTED BY

THE HONOURABLE TOM BUTTERS

MINISTER OF FINANCE

AT THE
FOURTH SESSION OF THE TENTH LEGISLATIVE ASSEMBLY
YELLOWKNIFE, N.W.T.

FEBRUARY 7, 1985

TABLE OF CONTENTS

INTRODUCTION 5
ECONOMIC OVERVIEW — CANADA 6
ECONOMIC REVIEW — NORTHWEST TERRITORIES 7
FISCAL STATEGY 9
1984-85 FINANCIAL SUMMARY 10
1985-86 BUDGET 10
MAJOR EXPENDITURE PROGRAMS 11
- N.W.T. Housing Corporation 12
- Education 12
- Public Works and Highways 13
- Social Services 14
- Local Government 14
- Other 15

LOOKING TO THE FUTURE 15
CONCLUSION 15
FINANCIAL AND SUPPLEMENTARY INFORMATION 17

INTRODUCTION

Mr. Speaker, for some six years the Executive Council, with the concurrence of this House, has urged that the financial arrangements negotiated annually between the Government of the Northwest Territories and the Government of Canada should be based on a multi-year commitment to allow for greater fiscal autonomy in the Northwest Territories. Members will recall this requirement being identified by the Special Representative for Constitutional Development in the Northwest Territories, the Honourable C.M. (Bud) Drury in his report to the Prime Minister in December, 1979, when he recommended that "changes to the budgetary process are considered essential to the evolution of both local and territorial government in the Northwest Territories".

The realization of that objective, I am pleased to report, Mr. Speaker, has been achieved. It could not have been accomplished without the support and assistance of the responsible Federal Ministers. I also express my gratitude to the Federal and Territorial officials involved in the negotiations.

With this budget, the Government of the Northwest Territories now has the ability and responsibility to identify its own priorities and allocate its resources accordingly. The importance of this significant development cannot be overstated. The financing by formula of this Government's expenditures is critical to the development of full responsible government.

It is not my intention here to explain the technical details of formula financing, except to mention that the agreement identifies a base level of funding and future factors of growth.

The budgetary plan for 1985-86 reflects a redirection of effort and funding toward the priorities identified by this Assembly at last year's budget sessions and the recommendations of the Special Committees on Housing and Education. This beginning, Mr. Speaker, will be further developed in the months ahead as we focus on the benefits this Government will derive from our new financial arrangements. Specifically:

- the development of more effective procedures for identifying capital program objectives, planning capital infrastructure, and determining funding guidelines.

- the development of more effective procedures for translating the priorities of the Legislative Assembly into practice. Obviously, this exercise includes the identification of low priority programs which should be reduced or eliminated.

- the development of a strengthened revenue and taxation analysis capability which will review and constantly monitor the existing Territorial tax structure and identify potential initiatives to provide a more equitable distribution of the revenue raising burden.

- the development of a strengthened economic analysis and policy capability. This capability will facilitate a better understanding of

development needs, complement private initiative in achieving economic goals and promote more economic conduct of all Government undertakings in the Northwest Territories.

- the development of a strengthened internal expenditure restraint program. The restraint actions of our departments and regions can thus provide funds for reallocation to priority programs of this Assembly.

Mr. Speaker, through such measures I expect that this and future budgets will reflect, more than ever before, a redirection of Government effort sought by territorial residents.

In any consideration of territorial priorities and objectives, it is incumbent on the Government of the Northwest Territories to ensure its budget credibility with the Federal Government. On November 8, 1984, the Minister of Finance, the Honourable Michael Wilson, tabled a document entitled "An Agenda for Economic Renewal for Canada". In condensed form the message is that the federal deficit must be reduced, the steadily rising Federal debt must be limited and there must be stimulation of private investment.

Mr. Wilson noted that the issues targeted for review and improvement are Government duplication, regulation, intervention, taxation and federal-provincial relations. All have been long outstanding issues in the North and in Canada. Mr. Wilson further stated that all economic groups and regions should bear their fair share of the burden.

Mr. Speaker, transfers to the provinces and the territories will not be insulated from this Federal examination. Unfortunately, we do not know, at this time, the extent or nature of how these Federal reviews will affect the Northwest Territories. However, this in no way dampens our enthusiasm for formula funding and its importance to us as a Government.

ECONOMIC OVERVIEW — CANADA

Mr. Speaker, the early 1980's have been difficult years and, while there appears to be a turning of the recessionary tide, the remainder of this decade is not expected to be a period of substantial growth.

In 1983 and 1984 most industrialized nations began their recovery from the recession, but it was an uneven recovery. Growth in the United States economy rebounded sharply but now appears to be abating. Other countries, including Canada, did not fare as well. Canada's recovery was slower and was concentrated primarily in the heavily industrialized provinces. Sluggish recovery was and still is evident in the other provinces.

Governments in Canada undertook tight fiscal policies in an attempt to reduce their deficits and control the growth of government. These policies have met with some success in curtailing government growth, through reduced wage gains and a lowering of inflation rates. Annual inflation now stands at 4.4 per cent, a figure which is

lower than that of our major trading partner, the United States. However, interest rates remain high relative to inflation.

Although the Canadian results of mid-1984 were encouraging, projections for late 1984 and 1985 do not appear positive for the unemployed, particularly young Canadians. In 1984 Canada's unemployment rate continued at post-war highs. One year ago, that figure averaged 11.5 per cent, representing approximately 1.3 million Canadians out of work. It now stands virtually unchanged. Without the marked improvement in the automobile sector the situation could have been even worse as consumer demand and spending is still behind pre-recession levels. We are, however, encouraged with the Federal Government's objective of "putting Canadians back to work".

For 1985, it is expected that the United States will have limited success in significantly reducing its large deficit. The result could be a slowing of economic growth in all industrialized countries, including Canada. For example, leading economists are predicting the Canadian economic growth for 1985 to be only 2.5 per cent while averaging 3.4 per cent to the end of the decade. We are hopeful that efforts on the part of the Federal Government to trim the federal deficit while attempting to stimulate private investment will improve the Canadian situation.

It is therefore incumbent upon all governments in Canada to provide a climate for revitalization of private investment in order to reduce unemployment and to restore consumer confidence.

ECONOMIC REVIEW — NORTHWEST TERRITORIES

Mr. Speaker, I would now like to review and highlight some of the more significant events of 1984 that had or will have an impact on the territorial economy.

During the past year, as with the previous year, other parts of Canada felt the effects of recession more strongly than did the Northwest Territories. The exceptions were Ontario and Quebec with an upturn in their manufacturing sectors and Saskatchewan with a revitalized mineral resource base. The Northwest Territories was cushioned somewhat by strong industry, government and consumer spending that allowed our territorial level of economic activity to expand from $1.2 billion to $1.4 billion.

Unemployment figures for the 21,000 people who make up the territorial work force are still, unfortunately, not collected by Statistics Canada because of problems of definition and meaningful comparisons. To overcome this deficiency our Government recently embarked on a labour survey for the Northwest Territories. The objective of this survey is to determine unemployment levels in all communities, along with the size and nature of the skilled labour pool. Hopefully, the results will help both the Government and the communities to plan job-creation projects and affirmative action programs that will be reflected in the budget for 1986-87. We will also use the information on the skilled labour force to encourage employers to make more use of local labour. This approach will complement the past approach of using social assistance figures to provide us with indicators of unemployment levels.

The Northwest Territories' cost of living unfortunately continues to be one of the highest in all of Canada. The cost of living factors for Yellowknife and Pelly Bay are higher by 30 per cent and 130 per cent respectively compared to Edmonton. Northern wages are not proportionately higher to offset these higher living costs.

Tourism played a major role in our economy in 1984. The tourist population increase over 1983 is attributable in large part to the Yellowknife Anniversary and the growing attraction of the North to visitors. This Government, in recognizing the tourism potential of the North, has undertaken to develop a Northwest Territories pavilion for the 1986 Exposition in Vancouver. We expect this initiative to encourage the creation of new jobs in the tourism and arts and crafts sectors.

There are other positive developments of particular importance to our economy:

- First, with the mining industry showing encouraging results nationally in 1984, there are good prospects for improved prices in 1985. Base and precious metals mining and continuing strength in the automobile industry, coupled with low base metal inventory levels, should continue to stabilize the prospects for lead and zinc. I am hopeful that with the lowering of interest rates and a reducing U.S. deficit, gold prices will rise above the relatively low levels being experienced at present.

- Second, in the oil and gas industry, major companies remain committed to frontier exploration in the Beaufort Sea. Gulf Canada has recently made significant discoveries in the area and there are increased expectations that the Beaufort Sea will soon reach the point where commercial development will be economically viable. However, exploration companies advise that while short-term fluctuations in world oil prices would not adversely affect the project, a major reduction in world price would result in a re-evaluation of their commitment.

- Third, although crude oil production dropped slightly in 1984 the loss was offset by an increase in natural gas production. Crude oil production will increase by 25,000 barrels per day with completion of the Norman Wells pipeline. While the completion of the Norman Wells project will see a reduction of construction workers, I expect that other oil and gas developments could offset this labour loss.

- Fourth, the retail trade sector recorded a good year as 1984 sales levels increased by 19 per cent over 1983, in contrast to the previous year in which sales did not increase.

- Fifth, settlement of native claims will result in transfers of capital and other income from the Federal Government to native groups, which will contribute to the territorial economy.

- Six, in his recent economic statement, Mr. Wilson, the Minister of Finance, said that the Federal Government is re-examining its role in oil and gas development, particularly with regard to existing grants, taxes and shared ownership of Crown Lands. If some of the current impediments are eliminated or replaced with more attractive alternatives, new exploration activity could be contemplated. We must ensure that any such changes will continue to make the North an attractive area for frontier exploration and, ultimately, further commercial development.

- Finally, there is the genuine Federal desire to devolve more authority and program responsibility to the Government of the Northwest Territories. This could translate into new jobs and/or transfers of jobs to northern locations. This type of activity transfer will help to stimulate the housing industry and retail sector with other spin off economic benefits.

FISCAL STRATEGY

Since fiscal initiatives of this Government affect the economic and social climate of the Territories, our current and future strategy must:

- support employment by continuing job-creation programs, and manpower training initiatives and by creating an economic environment conducive to private sector investment,

- maintain and improve, where warranted, existing levels of support for essential "people services",

- support a basically strong economy through capital initiatives and stimulate the economic development and housing areas to reinforce the recovery that will take us to sustainable growth, and

- make government more efficient.

I am pleased to advise, Mr. Speaker, that work on this strategy has already commenced. When developing the 1984-85 budget, funds were identified and set aside for priorities of the new Executive and the Legislative Assembly. By the summer of 1984, the new Executive had completed its assessment and set the foundation for change evident in the 1985-86 budget.

Also in 1984, the Financial Management Board continued its extensive internal expenditure review and restraint program that was successful in 1983. This ongoing review establishes a policy framework for controlled government increases and complements the reallocation of resources based on need and availability.

You will recall in my last budget address I advised that a performance measurement system is under development. Implementation of the pilot project within the Department of Social Services is expected to begin early in the 1985-86 fiscal year.

The objective of this performance measurement system is to increase the efficiency, economy, and effectiveness of the services delivered by the Territorial Government. Should the project prove successful, implementation will occur in the Department of Education later in fiscal year 1985-86, to be followed by the other departments.

1985-86 FINANCIAL SUMMARY

Mr. Speaker, the revised financial projections for the fiscal year 1984-85 indicate that a small surplus may be achieved in spite of funds being redirected to priority areas throughout the year. The supplementary appropriations and repriorized funding for 1984-85 were allocated to:

- The Department of Education to provide additional courses related to the Mackenzie Valley Project Training Program and to construct a 40 bed residence in Rankin Inlet;
- The Northwest Territories Housing Corporation to allow construction of 25 additional public housing units and additional single persons' apartment units in various communities;
- The Department of Economic Development for the Federal/Territorial Economic Development Agreement which provides $90 of Federal funding for every $10 of Territorial spending;
- Local Government to provide additional funding for Regional and Tribal Councils and to build or complete community and multi-purpose halls, to replace and improve water/sewer systems, and to store gravel;
- The Department of Personnel to provide staff housing;
- The Department of Justice and Public Services to complete the Frobisher Bay museum; and
- The Department of Social Services to commence implementation of the Young Offenders Act.

As is evident from the foregoing list, Mr. Speaker, this Government continued its initiative to fund worthwhile programs and projects and to address priorities.

1985-86 BUDGET

Mr. Speaker, before examining the elements of the 1985-86 budget presentation, I wish to express my gratitude to those involved in preparing the Main Estimates for fiscal year 1985-86. In particular, I acknowledge the valuable role played by the Financial Management Board and the Executive Council in bringing such a document into existence. Their efforts have produced a fiscally responsible document

which is a reflection of the priorities developed by the members of the Legislative Assembly and the Standing Committee on Finance.

Mr. Speaker, Members are aware that our Government has not increased taxes in the past year. It may be that new revenue initiatives will be required to obtain funds to increase the level of service to the public. If such measures are to be proposed during 1985-86, they will be fashioned so as not to jeopardize our economic and social development, dampen the level of essential consumer spending or create undue tax burden on our residents.

Mr. Speaker, the 1985-86 budget is set at $645 million. The revenues are expected to be received as follows:

- $440 million from the Federal Government, as a grant established by formula financing arrangements.
- $175 million from Territorial revenues.
- $30 million for projects carried out for Canada and others.

The formula financing agreement carries with it an initial injection of funding which will provide the Government of the Northwest Territories with the opportunity for a "catch up" on previously deferred capital projects. It will also allow the Government of the Northwest Territories to allocate funding to areas previously identified as having base deficiencies. This first year funding increase will also provide a stabilization reserve to accommodate contingencies over the term of the agreement.

The Operations and Maintenance portion of projected expenditures for 1985-86 is set at $493.5 million, which is an increase of 10 per cent over the revised estimates for the current year. This figure includes a reserve of $7.5 million for allocation should it be necessary.

The Capital portion of expenditures will rise by $25.3 million in 1985-86, to $122.2 million, an increase of 26.1 per cent from the current year. This includes a reserve of $10 million.

Total expenditures proposed, therefore, amount to $615 million for the coming fiscal year. Adding $30.3 million for work that is done on behalf of third parties, primarily the Federal Government, this represents an overall budget increase of 12.2 per cent over the current year.

MAJOR EXPENDITURE PROGRAMS

Mr. Speaker, I would like now to turn to several of the major program areas within this Government.

Housing Corporation

This Government is committed to ensuring that adequate housing is available to the residents of the Northwest Territories. To that end, $45.8 million was provided to the Housing Corporation in the past year. A major study was also undertaken by the Legislative Assembly's Special Committee on Housing. Members of the Special Committee have spent many months travelling to over 40 communities in the North to hear first-hand local housing concerns. The interim report has called for significant changes in the way housing programs are administered in the North.

The Housing Corporation's total budget will rise by $8.5 million or about 20 per cent to $54.3 million in 1985-86. This will enable us to better address the recommendations of the Special Committee. Some 216 new housing units will be constructed at a cost to this Government of $7.6 million, while $6.7 million will be allocated to programs of a repair and maintenance nature, and the home ownership incentive programs will receive $5.7 million. This latter program is to encourage residents to own their own homes instead of relying upon the tight and often non-existent rental market.

In addition to the 216 public housing units planned for 1985-86, another 200 units are planned for the following year. This high construction commitment will help alleviate shortages in this important area of the housing market and stimulate employment.

Mr. Speaker, it is worth noting that the initiatives taken to build and rehabilitate housing units in the North result in significantly greater sums being spent than just those provided by this Government. For every dollar we spend on a project, the Canada Mortgage and Housing Corporation is obligated to spend up to $3 on the same project. The case of the 216 public housing units being planned for next year is a good example. Given present budgetary constraints, this Government could allocate only $7.6 million to the project. The cost sharing arrangements with CMHC will secure an additional $22.7 million to increase the construction budget for public housing to $30.3 million. This approach allows us to maximize the economic impact given the limited funds at this Government's disposal.

Education

Mr. Speaker, this Government continues to place a very high priority on the education of our youth and training of our adults. In continuing to address the recommendations of the Special Committee on Education, major objectives of the Department are education authority development, special education, indigenous language programs, pupil and teacher evaluation policy development, adult education and expansion of the college system.

This Government remains committed to increasing native involvement in both the wage economy and the political process. As most job training programs require grade 10 entry level, we must first address the needs of the high proportion of the adult native population which has not achieved a grade 9 level of education. It is therefore essential that adult retraining receive major emphasis over the next several years.

In the upcoming year, the Department may extend the grade range presently offered in some of the community schools so that grade 10 is available in a greater number of the smaller communities. It is anticipated this will not only encourage students to stay in school longer, but may eliminate some of the social disruption which now occurs for those students who must leave their home community to enroll in grade 10.

In the fiscal year 1985-86, Education will increase its total budget by 6 per cent to $112 million. Major undertakings include the establishment of a one year diploma program in Public and Business Administration on the Frobisher Bay campus, the commencement of the implementation of divisional boards, and a start in the provision of individualized programs for physically and mentally handicapped students, as well as for gifted students. On the capital side, funding is being provided for new schools in Holman Island and Sanikiluaq, a school addition in Arctic Bay, classroom expansion in Yellowknife and a major expansion to the Trades Complex Building at Thebacha College in Fort Smith.

Planning will also continue on the $17 million Keewatin Education Centre in Rankin Inlet. When completed, this facility will provide grades 11 and 12 to students throughout the Keewatin region. The $4.9 million hostel is now nearing completion and construction of the main building will begin in 1987-88.

Public Works and Highways

Mr. Speaker, in the past year over $85.2 million was directed to the Operations and Maintenance function of Public Works and $12.2 million into Capital. This reflects the high cost of maintaining and operating public structures and transportation links in the North. Using both its own forces and increasingly through contracts with the private sector, government buildings, equipment and works such as piped water and sewer are operated and maintained. Maintenance of the territorial highway system includes the operation of ferries.

In the upcoming year, the Department will implement a government-wide Maintenance Management System. This will assist in financial planning and budgeting in the O&M area by eliminating the need for premature and expensive replacement of buildings and vehicles.

Conservation programs will continue to be implemented by the Department. The goals of these programs are to improve energy conservation awareness and reduce energy consumption in both the private and public sectors. With annual home utility costs reaching $10,000 in many communities, even a small reduction in these costs will have a significant impact. Related to this program are plans to continue the implementation of waste heat recovery systems throughout the Territories. These systems retrieve what was formerly waste heat at electrical generating stations and convert it to usable heat for the communities.

In 1985-86, Capital expenditures for such programs as upgrading of buildings, including major repairs to schools, highways and equipment have been set at $11.7

million. This also includes further paving of the Mackenzie Highway and reconstruction projects along the Northwest Territories highway system.

Social Services

In the past year, the Department of Social Services played and will continue to play a key role in the implementation of the Federal Young Offenders Act within the Northwest Territories. During this first year, the scope of the program included all people between 12 and 15 years of age.

The Department has implemented an experimental Fine Option Program in the Inuvik region. This program is designed to keep non-violent offenders out of jail. Under this program, such offenders are given the option of paying assessed fines, going to jail, or working to pay the fines off. Currently, in the Inuvik region, about 25 per cent of offenders who receive fines end up in jail for non-payment of those fines. Similar programs in other areas of Canada — particularly Saskatchewan — have proven to be very successful.

The Department's combined operating and capital budget will amount to $42.9 million in 1985-86. The Fine Option program will be implemented in all regions of the Northwest Territories. Community correctional programs will also be developed so that the problem of displacing offenders from their home communities can be avoided wherever possible. A high priority will be given to the introduction of a curriculum which deals with the subject of alcohol and drug abuse. The program would be made available to students from kindergarten to grade 12. It is hoped that this program will have a beneficial impact on this most serious of social problems in the North.

Major construction activities include young offenders facilities, renovations to the Yellowknife Correctional Centre, the final stages of the new Baffin Correctional Centre and various new senior citizen facilities and group homes for handicapped persons.

Local Government

Mr. Speaker, this Government continues to encourage and support the development of responsible Local Government.

In the past year, municipalities have exercised restraint and have demonstrated a real will to participate with the rest of the nation in keeping inflation down. Only 7 of 29 hamlets are projecting a year-end deficit — an improvement from two years ago when 50 per cent of hamlets in the Territories were in a deficit position.

During 1984, the Department spent over $27 million on the construction of community halls, recreation facilities, roads and municipal services in settlements, hamlets and tax based municipalities. In addition, over $25 million was directed toward municipal government. This support will increase to almost $30 million in 1985-86.

Departmental priorities include the first phase of a road construction project around Tuktoyaktuk Harbour, the design of upgraded sewage treatment facilities in Norman Wells, assisting the city in the progressive replacement of the original part of the Yellowknife sewer system at a 1985-86 cost of $2.5 million, lot development in order to relieve a severe shortage of developed residential lots in many communities, and assistance for communities in developing individuals skilled in recreation administration and programming.

Other

In the past year there were other major initiatives taken by this Government including a 25 per cent budget increase from last year's Main Estimates for the Department of Economic Development and Tourism and a similar increase for the Department of Renewable Resources. These increases are in line with our overall objective of job creation. The Department of Health received approval to build a new $42 million dollar Yellowknife Stanton Hospital with funding being provided by the Federal and Territorial Governments.

LOOKING TO THE FUTURE

Mr. Speaker, last year I spoke favourably about the work of the Royal Commission on the Economic Union and Development Prospects for Canada. The new Federal Government has also embarked on an extensive examination of its future economic prospects. This process is taking place through discussions and papers on practically every facet of Federal Government involvement as well as a potential overhaul of the Canadian tax system. I fully expect that this Government will be requested to participate in these meaningful and long overdue reviews of the Canadian economic potential.

For our part, we as a Government, will revisit our governmental goals to ensure that our strategies are in tune with new Federal initiatives and that they continue to meet the needs of our diverse population and geographically large area. Our budgetary process will continue to be modified, as necessary, to put into place those mechanisms required to fulfill our governmental goals.

CONCLUSION

Mr. Speaker, we will review our economic and social strategies to ensure they create jobs, maintain the integrity of our social programs and build on the infrastructure we now have in place in the Northwest Territories. The budgetary plan put forward today will protect and improve existing and new services and will guarantee the fiscal integrity of the Territories.

The principle of fiscal responsibility means that the Government of the Northwest Territories, and particularly this Assembly, must accept the role, and here I quote Mr. Drury, of "resolver of conflicting territorial interests in determining its budget strategies". With formula financing, the exercise of fiscal responsibility at the

political level has become a reality. As a consequence, the budget process becomes a high priority of Members and the Executive in order that program priorities can be identified and funded.

This budget session is the beginning of the budget process for 1986-87. While recognizing that we must live within economic constraints, this is your opportunity to identify and propose territorial priorities and directions.

Mr. Speaker, I wish to assure this House that this Government, with the support of the Standing Committee on Finance and Public Accounts, will continue to provide responsible fiscal management for the public funds we hold in trust on behalf of the people of the Northwest Territories.

Thank you.

FINANCIAL AND SUPPLEMENTARY INFORMATION

ESTIMATES 1985-86 — SUMMARY

Expenditures by Department — NWT 18
Revenue and Expenditure Comparisons — NWT 18
Revenue by Source — NWT 19
Revenue by Source — Provinces 19
Expenditure Growth — NWT 20
Accumulated Surplus (Deficit) of General Revenue Fund — NWT 21

TERRITORIAL STATISTICS

Major Provincial and Territorial Tax Rates 22
Employment by Sector — NWT 23
Employment by Sector — Provinces 23
Average Income (NWT vs. Canada) 24
Living Costs (Yellowknife vs. Edmonton) 24
Population — NWT 25
Registered Companies — NWT 25

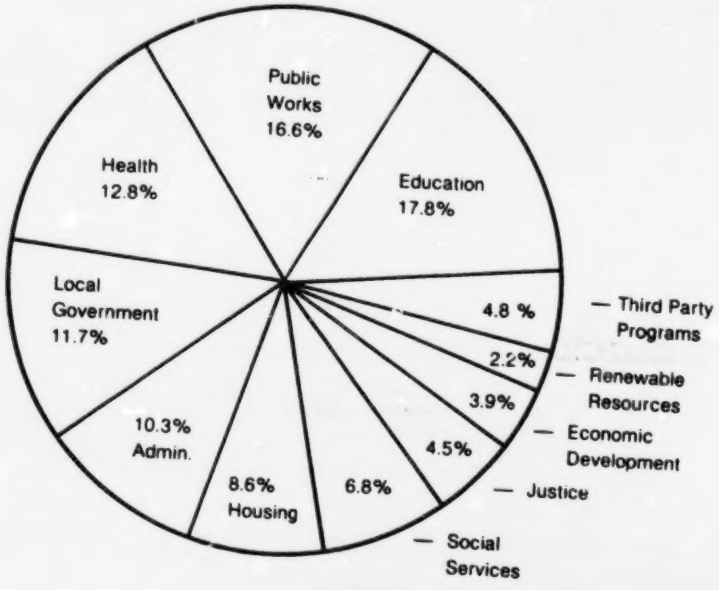
ECONOMIC ACTIVITY

Mineral Production — NWT 26
Crude Oil Production — NWT 26
Natural Gas Production — NWT 27
Retail Trade — NWT 27

Expenditures by Department — N.W.T.

1985-86

Chart 1

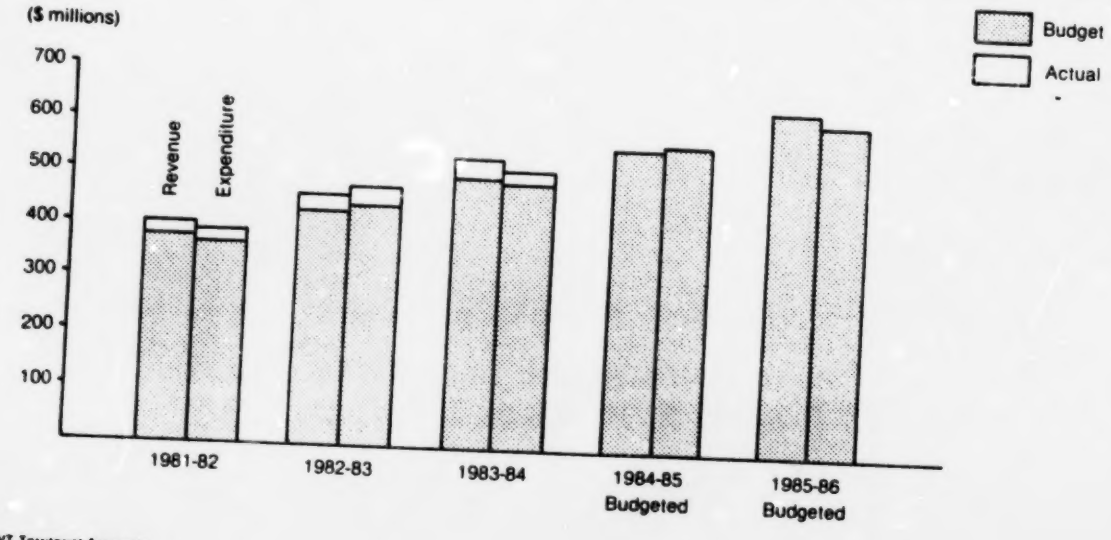


Source: 1985-86 Main Estimates

Revenue and Expenditure Comparisons — N.W.T.

1982-1986

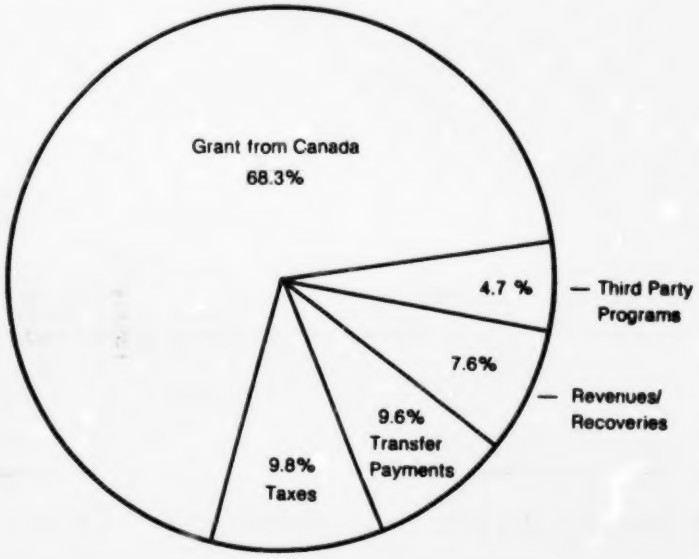
Chart 2



Source: GNWT Territorial Accounts
GNWT Main Estimates

Revenues by Source — N.W.T.
1985-86

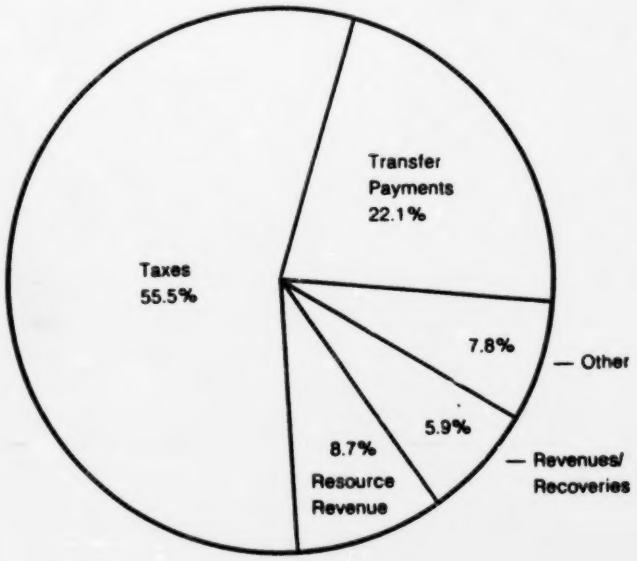
Chart 3



Source: 1985-86 Main Estimates

Revenue by Source — Provinces
1984-85

Chart 4

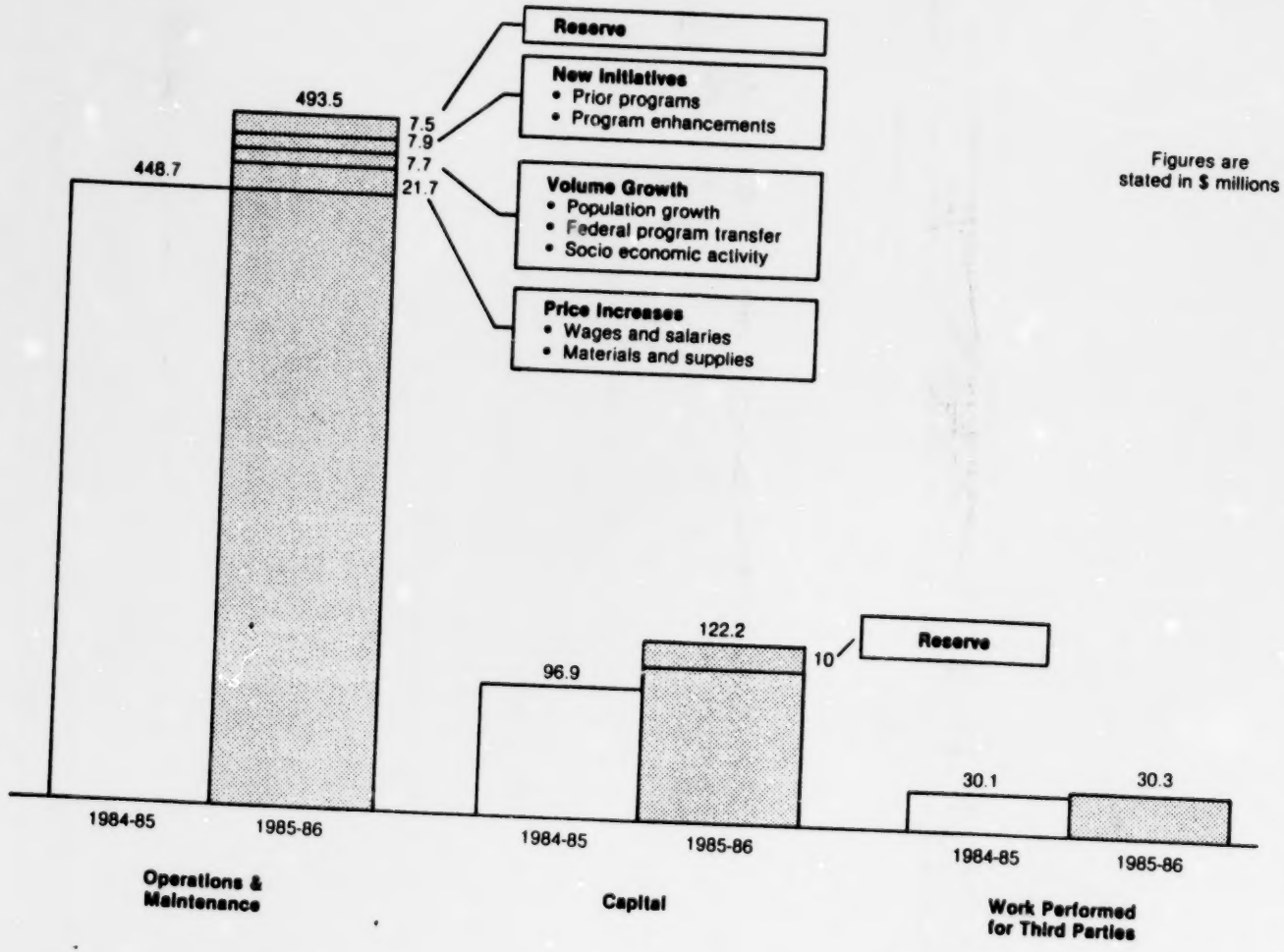


Source: Provincial Budgets
1983-84, 1984-85

Expenditure Growth — N.W.T.

1985-86

Chart 5

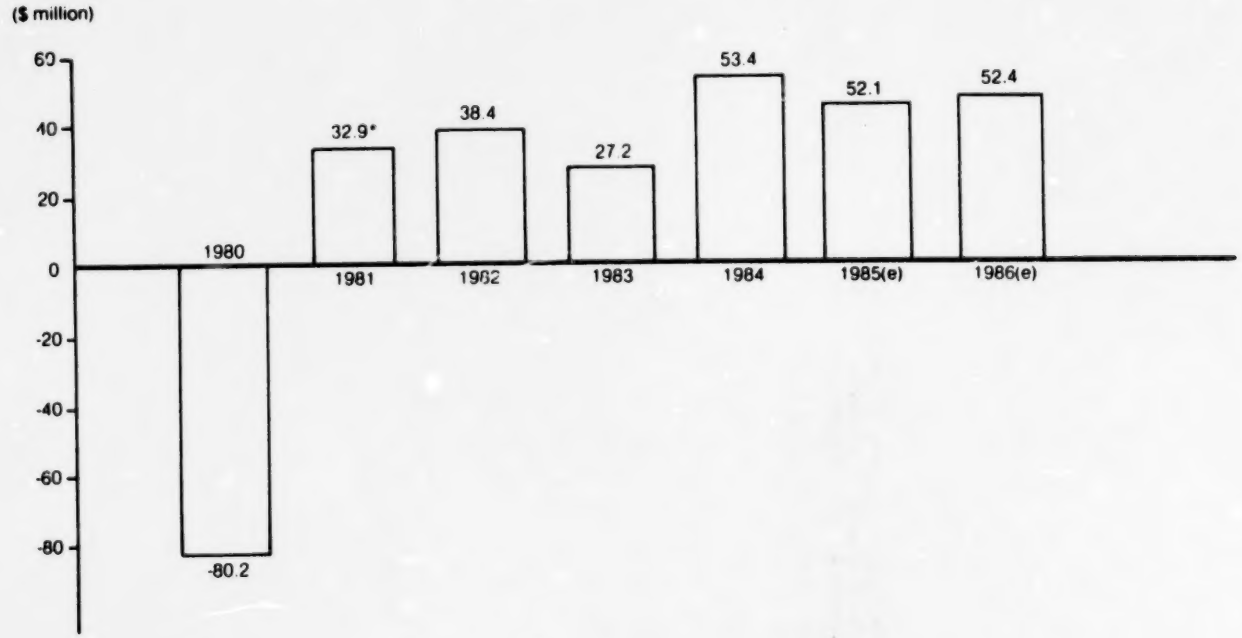


Figures are stated in $ millions

Source: GNWT Main Estimates 1984-85, 1985-86

Accumulated Surplus (Deficit) of General Revenue Fund — N.W.T.
1980-86

Chart 6



Source: GNWT Territorial Accounts
GNWT Main Estimates

* **Note:** Surplus resulted from the write-off of loans from Canada ($105.2 million)

Major Provincial and Territorial Tax Rates

As of December 31, 1984

Chart 7

	Personal Tax (%)[a]	Retail Sales Tax (%)	Gasoline Tax (¢/litre)	Tobacco Tax (¢/pack of 25)[b]	Medical Premiums ($)		Corporate Tax (%)[d, e]	Capital Tax (%)[f]
					Individual	Family[c]		
British Columbia	47.5	7	7.7	59	192	408	16(8)	.2
Alberta	43.5	—	—	37	168	336	11(5)	—
Saskatchewan	51.0	5	—	67	—	—	16(10)	.3
Manitoba	54.0	6	7.5	65	—	—	16(10)	.2
Ontario	50.4	7	8.0	66.5	357	714	15(10)	.3
Quebec	70-85	9	11.8	64.9	—	—	5.5(3)	.45
New Brunswick	58.0	10	8.2	75	—	—	15(0)	—
Prince Edward Island	52.5	10	10.7	38	—	—	10	—
Nova Scotia	56.5	10	9.1	50	—	—	15(10)	—
Newfoundland	60.0	12	10.1	119.5	—	—	16(10)	—
Yukon	45.0	—	4.2	40	228	318	10(5)	—
Northwest Territories	43.0	—	3.9/6.5[g]	52.5	—	—	10	—

Source: Manitoba Dept. of Finance

[a] Quebec's personal income tax rate expressed as a percentage of basic federal tax for middle income individuals is in the 70% to 85% range (excluding tax points transferred from the federal to Quebec government). British Columbia's basic rate includes an 8% general surtax which commenced July 1, 1984. Ontario's basic rate includes a 5% general surtax on tax in excess of $110.80. A high income surtax applies to provincial tax payable in excess of $3500 in British Columbia, $4000 in Saskatchewan and $2640 in Manitoba.

[b] Cigarette taxes are ad valorem in several provinces, including the Northwest Territories, but for comparison purposes have been expressed in cents per pack of 25.

[c] The family rate shown for British Columbia is for families with three or more members. Quebec has a 3% payroll tax to finance its Health Services Fund and Manitoba has a 1.5% Health and Post-Secondary Education Levy (payroll tax).

[d] Small Business rates in brackets.

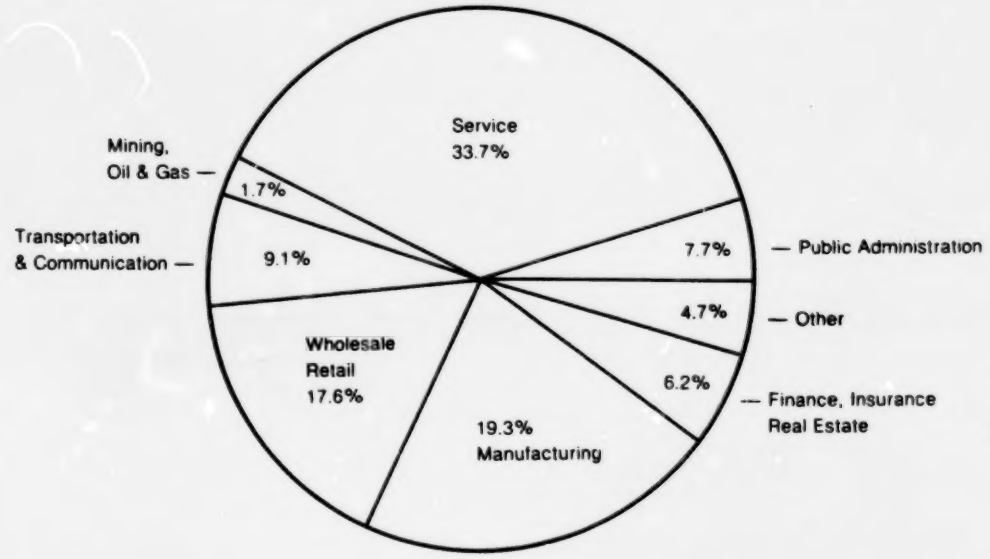
[e] Ontario announced a three-year tax holiday for small business for taxation years ending between May 13, 1982 and May 14, 1985. A 14% rate in Ontario applies to income which qualifies for the federal manufacturing and processing deduction, as well as income from mining, logging, farming, and fishing. Quebec's 5.5% rate applies to active business income only (interest income and passive rental income, for example, are not considered to be active business income).

[f] Rate noted is the general rate which applies to all corporations except financial institutions, which are subject to higher rates, and exempt corporations. Exempt corporations are generally those which are exempt from income tax.

[g] There are two gasoline tax rates in the Northwest Territories. The 6.5¢ per litre rate applies to all communities on the Territorial road system. The 3.9¢ per litre rate applies to communities off the road system.

Employment by Sector — N.W.T.
1984

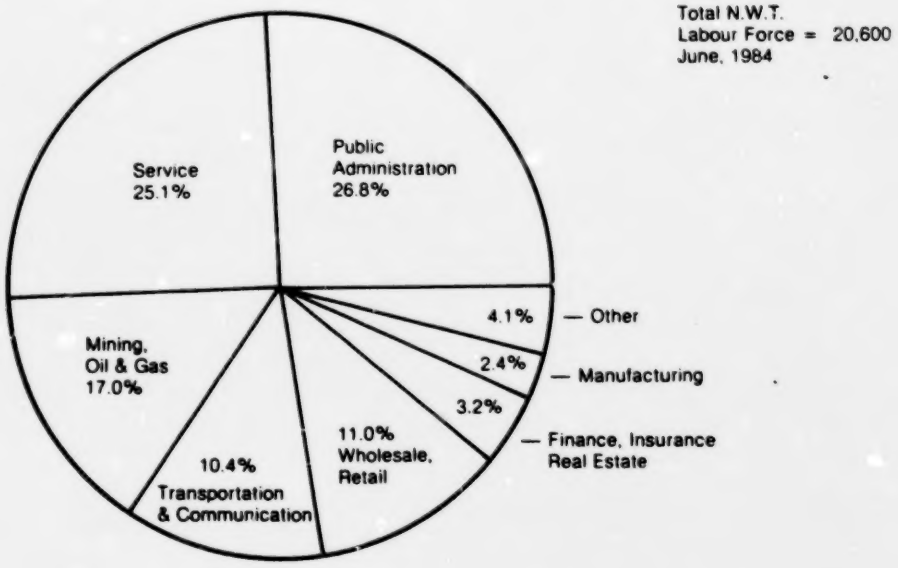
Chart 8



Source: Statistics Canada

Employment by Sector — Provinces
1984

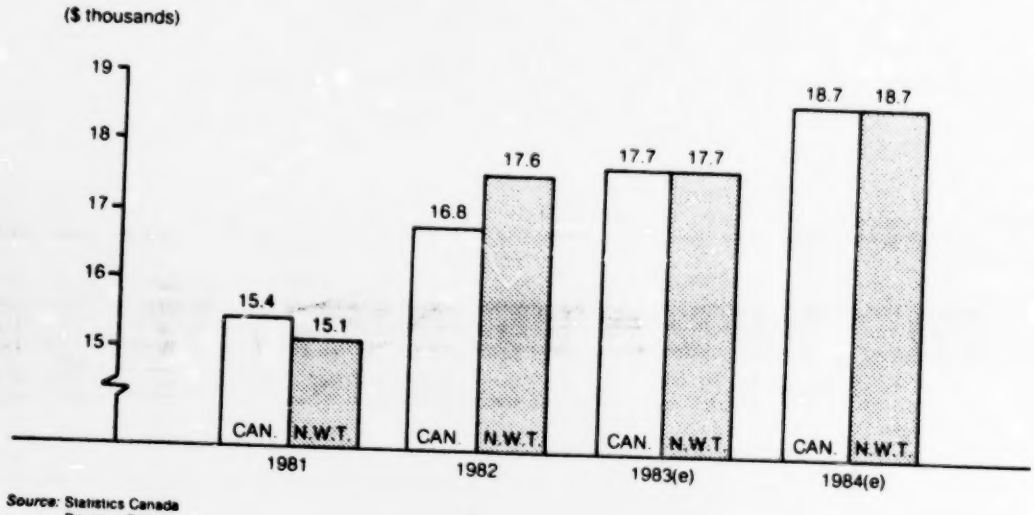
Chart 9



Source: Statistics Canada
NWT Bureau of Statistics

Average Income (N.W.T. vs. Canada)
1981-84

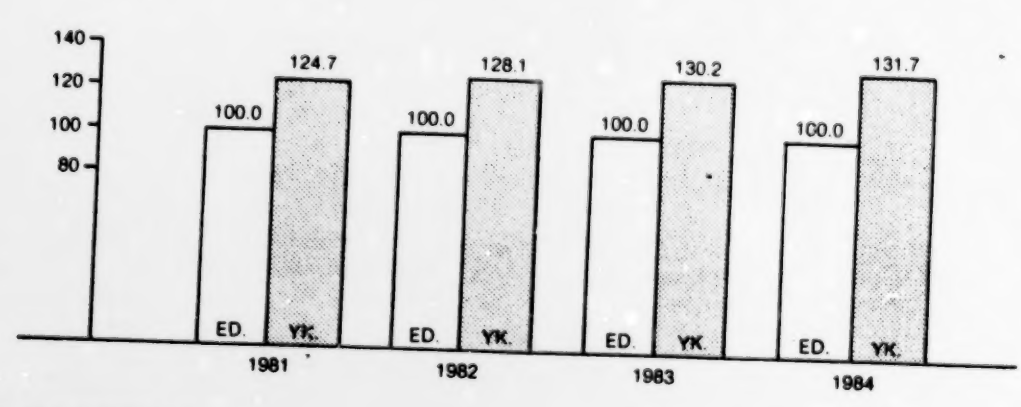
Chart 10



Source: Statistics Canada
Revenue Canada

Living Costs (Yellowknife vs. Edmonton)
1981-84

Chart 11

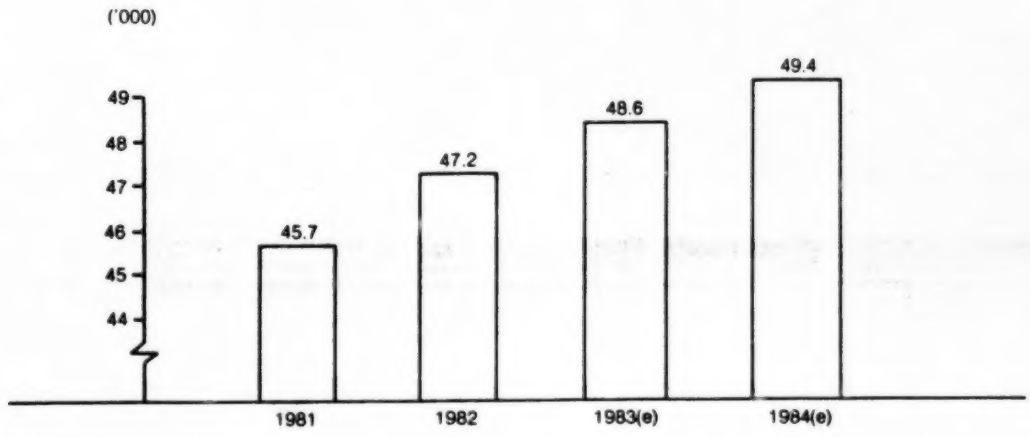


Source: N.W.T. Bureau of Statistics

Note: N.W.T. costs shown above are for Yellowknife in relation to Edmonton. Costs for communities in other regions are significantly higher. Approximate relationships are Baffin: 165, Keewatin: 162, Kitikmeot: 197 and Inuvik: 158. Average for the Northwest Territories is 149.

Population — N.W.T.
1981-84

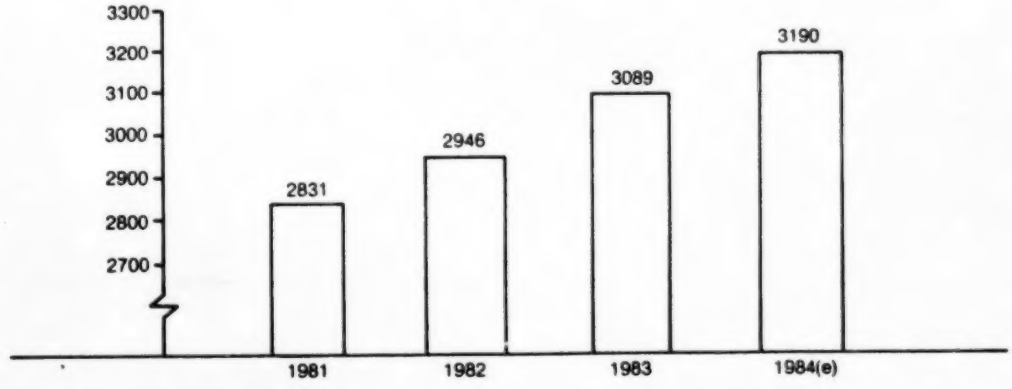
Chart 12



Source: Statistics Canada

Registered Companies — N.W.T.
1981-84

Chart 13

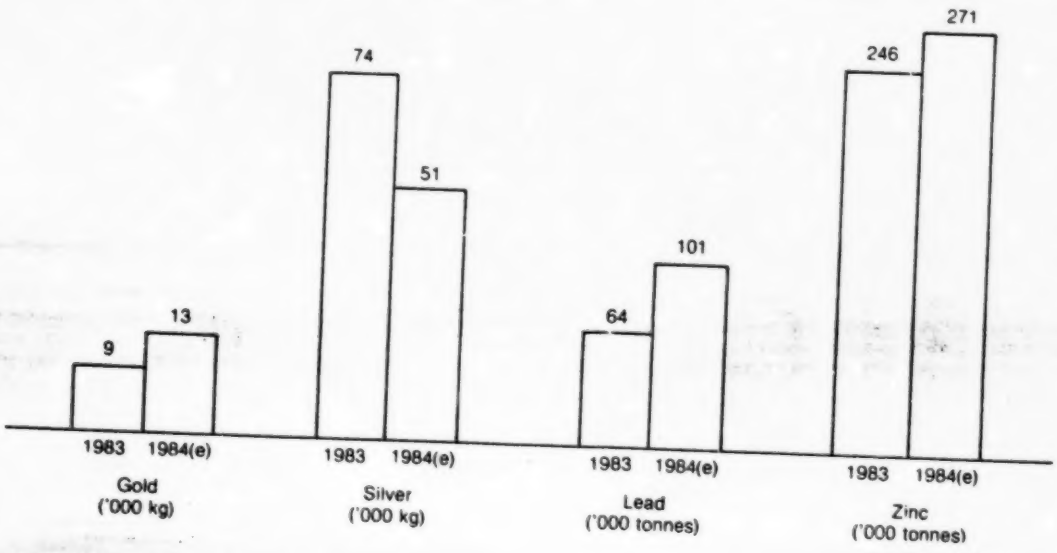


Source: GNWT Dept. of Justice & Public Service
N.W.T. Bureau of Statistics

Mineral Production — N.W.T.

1983-84

Chart 14

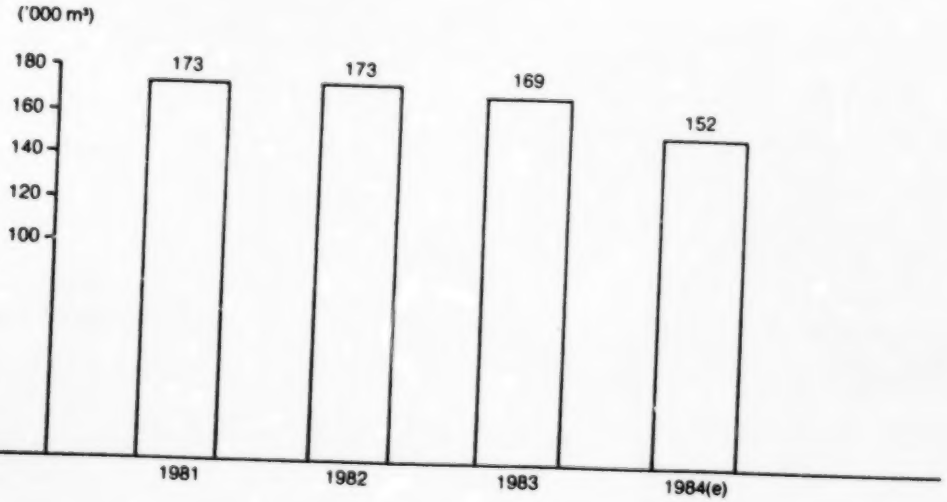


Source: GNWT Mining Inspection Services
N.W.T. Bureau of Statistics

Crude Oil Production — N.W.T.

1981-84

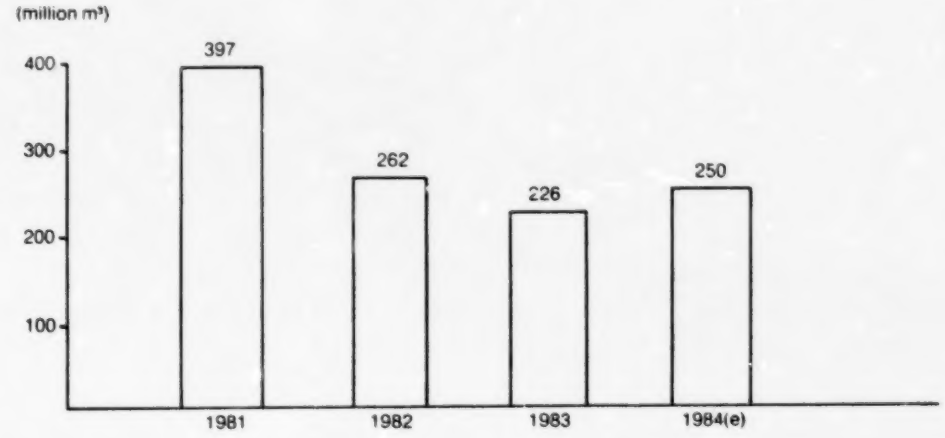
Chart 15



Source: DIAND
N.W.T. Bureau of Statistics

Natural Gas Production — N.W.T.
1981-84

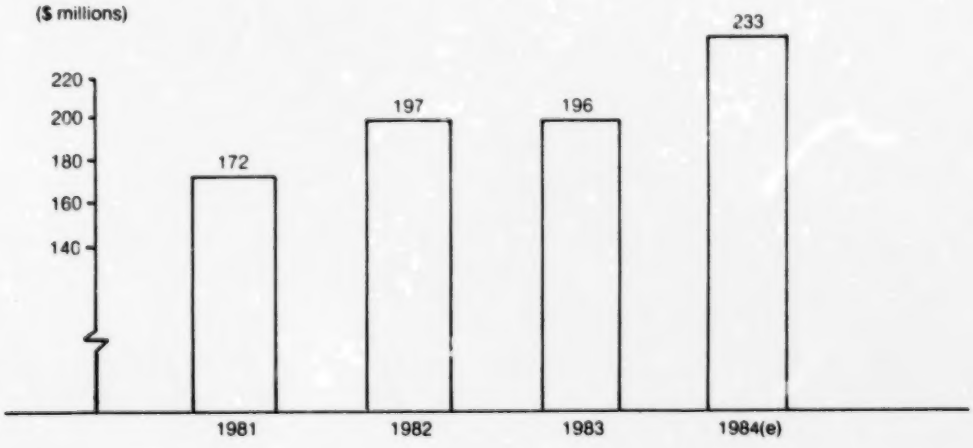
Chart 16



Source: DIAND
N.W.T. Bureau of Statistics

Retail Trade — N.W.T.
1981-84

Chart 17



Source: DIAND
N.W.T. Bureau of Statistics